



Tennessee Department of Revenue

Sales Tax Holiday: Clothing - \$100 or Less

Tenn. Code Ann. Section 67-6-393 establishes annual sales tax holidays in Tennessee. The holiday starts each year at 12:01 a.m. on the first Friday in August and ends at 11:59 p.m. on the following Sunday. In 2007, the holiday will begin on Friday, August 3 and end on Sunday, August 5. Please note: In **2008 only**, there is a **special one-time holiday**, from March 21 at 12:01 a.m. through March 23 at 11:59 p.m.

During the holiday, **clothing with a purchase price of \$100 or less per item** is exempt from sales tax. Clothing items costing more than \$100 or any clothing purchased for use by a trade or business is **not** exempt from tax. Items that are normally sold together, such as shoes, may not be split to achieve the \$100 threshold. Additionally, there is no requirement that purchases be made only for students. If an item is tax exempt, **anyone may make the purchase tax-free**.

Exempt clothing is defined as human wearing apparel for general use. It does not include accessories such as jewelry or bags or sports and recreational equipment like baseball gloves.

Examples of **exempt clothing** during the holiday period include:

Belts	Hosiery	School uniforms
Caps	Jackets	Shirts
Coats	Jeans	Shoes
Dresses	Neckties	Socks
Gloves	Pants	Sneakers
Hats	Scarves	Underwear

For layaway sales, qualified clothing is exempt when final payments are made by customers on items previously placed on layaway. When customers put clothing items on layaway during the holiday period, they will also be tax-exempt when final payment and delivery is made after the exemption period.

More information from the Department of Revenue is available from the following sources:

- Web site: www.Tennessee.gov/revenue or www.tntaxholiday.com
- E-mail: salestax.holiday@state.tn.us
- Telephone: **(800) 342-1003** 8 a.m. - 5 p.m., CST, Monday through Friday
Special Telephone Hours:
August 4, 2007, 8 a.m.-4:30 p.m., CST and August 5, 2007, 10 a.m.-4 p.m., CST